

23 October 1979

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NOTE FOR: Bruce Clarke/Dick Lehman

SUBJECT : Thoughts on Reform of the NIO System

The draft memo, "Reform of the NIO System," is a crisp, thoughtful exposition of a basic decision for a certain kind of limited reform at this time. As such, it is an excellent statement. I personally feel the patient -- the NIO system -- needs more drastic surgery, but I share the draft memo's diagnosis of NIO ailments, appreciate the philosophy and constraints which have produced the present prescription, and I have no major quarrel with it. I confine my remarks below to some brash comments (general and specific) about the new system and the tasks it will face, and to a few suggestions for strengthening a revived proposal. Please accept or shred these thoughts as you wish.

I. General Comments

A. What are the chief purposes and prerequisites of estimative intelligence\* which the proposed new system, or any system, must address? The tasks at hand -- against which I weigh past and proposed systems, below -- include the imperatives that such intelligence must:

1. Be relevant...
2. Be timely...
3. Offer the policymakers enlightenment -- wisdom, depth, alerts about tomorrow's world -- over and above that which these senior, knowledgeable officers already have or can readily acquire elsewhere.

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\*Whether inter-agency or departmental, and whatever the particular art-form.

4. Reflect awareness of the US ingredient in the given analytical problem, and judge how US action/inaction may affect that problem.
5. Be fiercely independent. Tell it warts and all, whatever the predilections, pride, and policies of senior officers.
6. Define the chief issues and forces at work in the foreign situation under examination, and their susceptibility to influence from without.
7. Communicate such intelligence clearly and concisely to the principal consumers -- those very officers who have the least time to absorb new intelligence, especially if it is not factual show-and-tell about their particular crises of today, but merely conjecture about possible problems of tomorrow.
8. As back-up, spell out the details, data base, collation, etc., upon which such intelligence judgments have been made. Add these as annexes, separate documents, or further briefings to principal intelligence papers and projects.
9. Clearly indicate the degree of confidence with which principal judgments are advanced and which available evidence justifies -- especially so where evidence is thin or ambiguous. Do not oversell, or undersell, the product.

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10. Clearly indicate differences of judgment.  
Do not submerge them in murky agreed texts.  
Respect, indeed encourage, dissents/alternative analyses from participating officers, offices, and agencies.
11. Be the product of the best brainpower that can be brought to bear on the given problems, particularly on those most important questions (such as Soviet intentions) where available evidence is sparse and lends itself to alternative interpretations. Therefore the constructive contribution of the country's best experts must be engaged, in and out of the intelligence community. In all cases, widely representative panels must be employed, not just single consultants or think-alike sounding boards.
12. Command the respect of key policymakers. Such consumers carry their own NIEs and IIMs around in their heads, they are often in a much more advantageous position to judge the problem at hand than are intelligence officers, and they often look on the latter's products only as a free good sent their way by unknown, faceless bureaucrats.


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13. Remain fresh, alert, open to new evidence and interpretations, and not constitute a repository of jealously guarded conventional wisdom.

B. How well have previous systems addressed these needs?

1. The familiar shortcomings of the old O/NE need no re-spelling. Suffice it to say that that system came to be especially wanting with respect to the above demands for relevance, crispness of thought and presentation, evidential base, clarity re differences/dissents, new blood and open mindedness, and policymaker respect.
2. The NIO system has in the main done much better re relevance - contact with policy-makers, evidential base, and -- with some notable exceptions -- alternative or dissenting views. Principal advances have probably been registered in the quality and contribution of NIE 11-3/8 and certain other military intelligence products. These strengths in the present system are in addition to the services which the NIOs provide the DCI as point men.
3. At the same time, the many shortcomings of the NIO system to date demand considerable reform. The new proposals accurately identify many of those shortcomings. The final edition of the proposal, however, should include mention of these additional

problems in the operation of the NIO system to date:

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- a. Managerial responsibility has been too diffuse and ambiguous, with respect both to content and procedure.
  - b. At the same time, too much has been staked on the accident of individual NIO quality and resourcefulness. Where certain NIOs have not been strong, relations with principal consumers have suffered, as have schedules, quality, and respect. Even where certain NIOs are strong, there is no mechanism for substantive check on possible error.
  - c. Use of expert outside consultants or competing analyses has been uneven and, in the main, deficient.
  - d. The necessary resort to ad hoc drafting teams has at times resulted in narrow approaches, excessive detail, lack of integrated overview, schedule bottlenecks, and lack of focus on policymakers' principal needs.
  - e. Policymakers' respect for the estimators and their product has suffered in many cases.

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- f. The decline of the NIE and the subordination of the NIOs to CIA's NFAC has heightened discontent elsewhere in the intelligence community.
- g. Certain procedures and products of the present system have spurred some uneasiness that the system's substantive judgments are not as independent of policy preferences as they should be, and that the right of dissent is being impinged.

C. The present proposal and the (above) needs of estimative intelligence.

- 1. The DCI's decision to reform the existing NIO system and the proposal's candid exposition of that system's shortcomings are excellent signals, to intelligence community and policymaking of-ficers alike, that a new regime is in place and on the ball, that improvement in the NIO system is mandatory, and that it is being approached constructively. This symbolic shot-in-the-arm should cause all interested parties to give the new system a period of grace in which to prove that it can lift estimative intelligence up from its doldrums.
- 2. Perhaps the chief merit of the new system will be

the prospect that from the outset it will be run more efficiently. Given less clogging, legitimate business will pick up with senior consumers.

3. There is also prospect that product quality may in time improve, especially because of the new substantive staff and the NIOs without portfolio. (Estimate: The latter will soon come to be called WOPs). Whether quality and utility do improve will of course depend on the particular individuals recruited, the standards set for their performance, and the disciplined moving out of officers who do not readily measure up or give promise.
4. The proposal's idea of rotation is a sound one. For the new system to flourish, NIOs and staff alike must in fact be absolutely first-rate, and must be so perceived from without. The new system must not inherit good old boys, but from the word go must be seen as a clearly elite service. Nor should there be any fixed tenure: If people continue to stay alert and full of pizzazz, and if they continue to perform extraordinarily well, there can continue to be a palce for them; but the rotation system must exist to be readily em-

ployed so that people can be sent back to their home bases -- with either formal or sincere thanks for their services.

5. Some observers may consider the new proposal to be only a modest response to the needs at hand: The same NIO officers, similar new duties for them, and their continuing residence within NFAC. Any such reticence will have to be overcome by other, "newer" aspects of the proposal and, even more, by the demonstrated performance of the new group.
6. The proposal will probably be welcomed by the other agencies -- but in muted tones. On the surface the new system may not seem to go far to meet central complaints among their officers that the NIO system is essentially CIA, with the rest of the community bringing up the rear. Any such want of enthusiasm can be lessened by a demonstrated welcoming of dissents, and by fuller use of non-CIA officers as NIOs, NIC staff, and drafters. Such latter moves will be difficult to pull off in practice because of the preponderance of talent in CIA. Some headway may nonetheless be made by heightened involving of non-CIA officers in the initiation and early forming of projects, by increased contact with them on the part of individual



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CIA analysts (NIC staffers and others), and by creating an atmosphere wherein alternative interpretations are sought out, respected, and recorded.

7. A revised proposal should highlight more the unique challenge the NIC's staff will face; to supply much of the substantive depth and clarity for the total operation. Such a situation obtained in the case of the O/NE staff; it will be an even greater necessity in the NIC, given the greater (and legitimate) out-of-office demands on the time and energies of the NIOs. Thus the NIC staff should not be viewed by anyone as just a bunch of bright young drafting assistants, but as a group of the most profound and effective foreign policy analysts in town. Slotting and pay scales should be arranged accordingly, and once final OK's have been given the proposal's details, the CIA and the community must be made aware that the DCI wants them to loan out, if asked, their very best people. You are creating another O/NE staff, not another DIA. Arrangements must also be made to facilitate recruitment of people into the staff from outside the community and the government.

8. The revised proposal should also speak more to the collective responsibility for the product



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that must obtain among the NIOs, and to the need for and mechanics of peer review of draft products.

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9. The proposal can be strengthened by saying more in it about the content of the product: i.e., our agreed views, as above, that estimative intelligence must not be designed to tell senior consumers that the intelligence bureaucracy agrees on this and that judgment; but instead to spell out the forces at work, indicate the evidence and confidence back of respective judgments, clearly spell out differences of interpretation where present, and in sum give the policymaking consumers more data and wisdom with which to make their own assessments and policy decisions. Above all, the content and manner of presentation (written, oral, and visual) must keep in mind what it is that estimative intelligence is contributing to the harassed policymakers, over and above that which they already have or can readily obtain elsewhere -- especially in a situation where such a key consumer as Brzezinski has little regard for or interest in community products. (The question of whether NIC's products should be more "community" than those of the present system can be left to work itself out: Yes on some

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occasions, but legitimately no on others. In the latter cases, however, other agencies should be encouraged to offer up whatever contributions they wish to give prime consumers.)

10. Finally, the proposal should speak more forcefully to the twin needs for more contact with and knowledge of the policymaking world, but the absolute independence of NIC's judgments.

## II. Specific Comments

1. Avoid present references to "cosmetics," "image," etc. These could connote to some readers a less serious re-organization than is intended.
2. In picking staff and A/NIOs try in all instances to get people who are both doers and thinkers, so that both functions can prosper and, in time, distinctions between staff and A/NIOs can lessen.
3. Have there indeed been too many NIOs? Or have problems in this regard stemmed from managerial ambiguity and the so-so performance of some NIOs?
4. Whether voiced in the proposal or not, all members of NIC, not just the NIOs, must get away from their desks and become known commodities to DDO, INR, DIA, and policymaking officers -- and, where appropriate, NSA officers.
5. Why not an SS NIO dedicated solely to carrying such international accounts as energy, terrorism, N.P.,

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narcotics, UN, law of the sea, etc? Better than just the part-time exploits of an Associate Chairman for Staff. *difficult*

6. Make the pitch for more and better use of consultants. This to add to the (excellent) concepts of the NIO as a source of "creative tension."
7. PP. 5-6. CTS and NITOs. Perhaps I'm just not well acquainted with the problem, but I don't see this as much of a problem. Yes, work out cooperative spheres with CTS which will give NIC people opportunity to bring policy-based insights to requirements to bear (and to gain ready responses), but the two worlds should shake out fairly easily once NIC begins to gain momentum and focus.
8. The proposal's (excellent) remarks about too much NIO energy on fire-fighting, etc. Bring this point up into the Executive Summary. *←*
9. P. 6, Para A-1, add some words which tell the reader that the possible contradiction is recognized between this recommendation, that DCI discipline himself to work more through the chain of command, and the principal duty of the NIO to be the DCI's point man/person -- as sudden button-pushing occasions arise. *done*
10. P. 6, A-2. OK re NIO's to have only advisory capacities re DD/NFA. But word should be added to treat the question of NIC requests for NFAC services and support. *done*

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11. P. 8, D, absence of a single "CIA" representative.

Yes, there would be merit in D/NFAC appointing a "CIO" officer (you will excuse the expression) to serve on a given project, and to carry out the responsibilities indicated in Recommendation 5, P. 9.

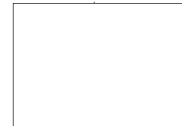
12. P. 9, No. 4. Bravo. Key is indeed communication. ✓

13. P. 11, B. "This problem is more one of image than of substance in terms of immediate impact on the quality of national intelligence." Debatable. Points 1, 2, and 3 under B are valid, but we could all nominate some NIEs and IIMs which did not win Oscars. To consumers such as Brzezinski there hasn't been much such nourishment, for example, re certain products on Iran, Cuba, China, Sino-Soviet, or Brazil(?).



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14. P. 12, C. This is more than an "image" question. There is fact, as well, and some specific sharp complaints in the community.



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15. PP. 12-13, The case for putting the NIOs directly under the DCI. There is a stronger case for such a move than that one made. This option should not be given short shrift, even if the decision remains to keep the NIOs under DD/NFA. In any event, scratch P. 13's "You can't unwrite history." That can be variously (and mistakenly) interpreted.

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16. P. 15, 4, re clarifying and re-defining the various art-forms. Bravo.
17. PP. 15-16, V. To the collegiality discussion add some points about peer review and collective responsibility. *no*
18. P. 17, VI-B, could be misread as carrying the torch for a more traditionalist approach than is intended. Re-word. More broadly, the internationalist accounts are and will be of growing moment, and Sayre Stevens' diagnoses re the lack of adequate cross-cutting still have considerable validity, even though his specific remedies did not. Here is where I would strongly urge a full-scale NIO effort, rather than overburdening the AD/S effort and/or leaving the fact/appearance of the feudal baronies governing the pace of cross-cutting.
19. P. 18, Para 2 at top of page I would accordingly change that to read: DCI, DD/NFA, and D/NIC shall determine how these international questions are to be handled. I don't see the necessity of a DD/NFA staff study; the problems are known, the only question is one of DCI, DD/NFA, and D/NIC knocking the heads of their people.
20. P. 19, 4-a. PIWG may not be clear to all readers, nor why it is "by all odds" the most important job of this officer. *the*
21. PP. 22-23, the NIO/W function. I would think this would overburden the D/NIC. He should be free, and should be seen as free, to be the NIC Chairman, to get around town,

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and to run the NIC show. The warning function should be handled by a separate NIO, subordinate to the direction and special experience of the Chairman.

22. PP. 25-28. I concur in the staff option and discussion indicated. I do feel that the "cons" on P. 25, 1-b, are worded too strongly and are not likely to be of that degree. Also, re presentation, don't shoot your chosen option in the foot. (Re OPA, while we're at it, is any thought being given, once NIC is established, to the many merits of recreating an OCI and an OPR?)
23. P. 29, No. 7, the NIOsWOP. A fine idea, though much of the fact and appearance of the new NIC's total promise will turn on the particular persons chosen as WOPs.
24. PP. 28-29, C-3, second sentence. No, as above.
25. P. 29, No. 4. Yes, indeed.
26. PP. 30 ff. The tables will want to be changed to accord with present and revised texts of the proposal.
27. Good luck.

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